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## AGENCY OVERVIEW

201 DEPT OF PUBLIC INSTRUCTION

Date: 12/14/2006

Time: 15:15:46

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## STATUTORY AUTHORITY

North Dakota Century Code Title 15.1.

NDCC sections 25-06-02.1, 25-07-01.1 and 54-24-01.

## AGENCY DESCRIPTION

Responsibilities charged to the superintendent of public instruction by the Constitution of North Dakota and the North Dakota Legislative Assembly, require the enforcement of all state statutes and federal regulations pertaining to the establishment and maintenance of public schools and related programs. Specifically; the duties include:

- Supervise the provision of elementary and secondary education; approval and accreditation of schools; approval of school construction; approval of school calendar; implementation of a uniform system of school district accounting, budgeting and reporting; and administration of school district aid, transportation, and teacher compensation payments.
- Develop course content standards and assessments.
- Direct school district annexation, reorganization, and dissolution efforts.
- Promulgate administrative rules.
- Administer state and federal programs identified in state law; Adult Education, Special Education, English Language Learner Program, Child Nutrition and Food Distribution Programs.
- Serve as a member of the State Board of Public School Education, State Board for Career and Technical Education, Board of University and School Lands, Teachers' Fund for Retirement, Children's Services Coordinating Committee, Education Technology Council and the High School Activities Association.
- Supervise the ND School for the Deaf, ND Vision Services/School for the Blind, and the State Library. Although these entities have separate staff and prepare separate budgets, the administrators of each entity are appointed by and report to the superintendent of public instruction.
- Develop teacher contracts and personnel policies needed for administration of state-supported schools (NDSD and NDSB).

## AGENCY MISSION

To ensure a uniform, statewide system for effective learning.

## AGENCY PERFORMANCE MEASURES

The North Dakota Department of Public Instruction's 2006-2011 strategic plan for public education outlines strategic initiatives that focus on student achievement, community involvement, operational excellence and support. The following four goals have been established to provide us with a roadmap to success.

Align all elements of public education to help students achieve academic success

Promote health and wellness initiatives that provide a safe and nurturing environment that encourages community involvement and embraces diversity

Ensure a comprehensive system of accountability for results-based decision making

Build capacity to ensure a uniform educational system that meets or exceeds established standards

DPI's plan development is ongoing. Our staff continues to develop timelines, desired outcomes and performance indicators. Upon completion, our strategic plan will be promoted and publicized to stakeholders; we will make periodic progress reports, address barriers as they arise, and fine tune as necessary. We are determined to translate the Plan into action.

## **MAJOR ACCOMPLISHMENTS**

- Contributed all data and data analysis relevant to student aid, including the Special Education finance study and information gathered from the Augenblich study to the Commission on Education Improvement. Both studies were commissioned and funded by the Department of Public Instruction.
- Completed the English Language Learners Assessment System and ELL program guidelines to meet state and federal requirements.
- Funded 19 program sites that provided Adult Education and Family Literacy Services. Over 2,000 adults were served last year. All local programs met or exceeded their negotiated performance measures for the year and the state was eligible and received an incentive grant from the USDOE in the amount of \$750,000.
- Developed a Memorandum of Understanding with the Bureau of Indian Affairs that brings all BIA schools into the ND system to assess and calculate adequate yearly progress of BIA students.
- Completed the administrative rulemaking process for school approval and accreditation, English Language Learners, Special Education and Title I Programs, as required by state and federal law.
- Completed the development of science content and achievement standards, and the accompanying assessment instrument which is scheduled for implementation in 2006-2007.
- Invited a team of individuals, representing various educational stakeholders, to attend the McREL Policy Forum in the fall of 2005. As a result, a plan was proposed at the legislatively required joint boards meeting to form a P-16 task force. The mission of the task force is to align all elements of public education to ensure student success in the workplace upon graduation, or to prepare them for college.
- Wrote and submitted to the US Department of Education, three new competitive grant proposals. The new grants have the potential to carry out strategic initiatives and to supplement district needs.
- Initiated a new strategic plan for 2006-2011, which includes the development of major goals and activities that will serve as our roadmap during the next 5 years.
- Conducted training for statewide special education administrators, advocacy organizations, and university faculty regarding the new provisions of IDEA. The department also provided training on the new law to general education administrators, general and special education teachers and parents of students with disabilities.
- Received recognition from the USDOE that North Dakota is one of a few states to have the capability of submitting accurate, valid and reliable information, online electronically.
- Altered monitoring practices to include stakeholder involvement and data analysis that focuses on student achievement. This makes the process more broadly understood and appreciated by schools being monitored and heightens local ownership.
- Continued to partner with the Education Standards and Practices Board to align the school accreditation program with teacher licensure files.
- Accumulated 3 years of data (upon the completion of the 2007-08 school year) to be used in the calculation of adequate yearly progress, as required by USDOE to complete our state accountability plan.
- Enhanced a web based computer system for school foods to allow online processing of local agency agreements, claims for reimbursement, distribution of commodity foods and various reporting functions.
- Conducted specialized training for incorporating fruits and vegetables in school menus and for marketing school meals and healthy foods.
- Expanded the 21<sup>st</sup> Century After School Program from 8 to 14 grantees offering after school programs to more than 70 school districts. Programming has been directed at the core academic areas of reading, math and science. The department provided support for local program directors to attend the national training related to after school programs.
- Expanded the After School Snack Program to include 70 sponsors at 92 sites.
- Provided training in the development, adoption and implementation of local wellness policies.
- Developed, distributed and trained all local school food service personnel on HACCP requirements.
- In cooperation with the Office of the First Lady and in partnership with educational leaders, has upgraded our website, developed curriculum, and initiated partnerships to curb underage drinking and to reduce cyber bullying.

**FUTURE CRITICAL ISSUES**

The dollar amounts in excess of the \$ 169,300 limit that was provided to DPI from OMB are due to the additional FTE and temporary salary dollar requests included with this budget.

**REQUEST SUMMARY**

201 DEPT OF PUBLIC INSTRUCTION  
Biennium: 2007-2009

Bill#: SB2013

Date: 12/14/2006

Time: 15:15:46

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>BY MAJOR PROGRAM</b>					
ADMIN AND SCHOOL DISTRICT SUPPORT SERVICES	619,172,944	649,904,894	109,719,498	759,624,392	872,024
EDUCATION IMPROVEMENT	207,813,030	204,991,798	-30,127,397	174,864,401	2,191,000
EDUCATIONAL SUPPORT AND COMMUNITY LEARNING	69,561,084	77,446,530	2,491,806	79,938,336	300,000
<b>TOTAL MAJOR PROGRAMS</b>	<b>896,547,058</b>	<b>932,343,222</b>	<b>82,083,907</b>	<b>1,014,427,129</b>	<b>3,363,024</b>
<b>BY LINE ITEM</b>					
SALARIES AND WAGES	8,834,578	10,056,952	838,598	10,895,550	327,884
OPERATING EXPENSES	14,097,553	14,892,308	4,472,586	19,364,894	2,884,140
CAPITAL ASSETS	14,271	0	0	0	0
GRANTS-STATE SCHOOL AID	489,379,990	517,553,759	237,012,120	754,565,879	0
GRANTS-TUITION APPORTIONMENT	69,272,576	71,600,000	-71,600,000	0	0
GRANTS-SPECIAL EDUCATION	49,898,217	52,500,000	-52,500,000	0	0
GRANTS-REVENUE SUPPLEMENT	5,000,000	5,000,000	-5,000,000	0	0
GRANTS-OTHER GRANTS	207,615,873	207,999,083	19,531,723	227,530,806	151,000
GRANTS-TEACHER COMPENSATION	51,854,000	50,912,120	-50,912,120	0	0
REORGANIZATION BONUSES	500,000	759,000	-759,000	0	0
JPA INCENTIVES	0	1,000,000	1,000,000	2,000,000	0
TRANSPORTATION EFFICIENCY	40,000	30,000	0	30,000	0
NATIONAL BOARD CERTIFICATION	40,000	40,000	0	40,000	0
<b>TOTAL LINE ITEMS</b>	<b>896,547,058</b>	<b>932,343,222</b>	<b>82,083,907</b>	<b>1,014,427,129</b>	<b>3,363,024</b>
<b>BY FUNDING SOURCE</b>					
GENERAL FUND	604,818,025	636,443,581	57,076,297	693,519,878	3,226,024
FEDERAL FUNDS	220,831,290	222,184,380	25,807,314	247,991,694	137,000
SPECIAL FUNDS	70,897,743	73,715,261	-799,704	72,915,557	0
<b>TOTAL FUNDING SOURCE</b>	<b>896,547,058</b>	<b>932,343,222</b>	<b>82,083,907</b>	<b>1,014,427,129</b>	<b>3,363,024</b>
<b>TOTAL FTE</b>	<b>93.25</b>	<b>92.75</b>	<b>4.50</b>	<b>97.25</b>	<b>1.00</b>

**REQUEST DETAIL****201 DEPT OF PUBLIC INSTRUCTION****Biennium: 2007-2009****Bill#: SB2013****Date: 12/14/2006****Time: 15:15:46**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	6,535,266	7,351,581	463,513	7,815,094	100,756
SALARIES - OTHER	129,868	38,400	-38,400	0	201,300
TEMPORARY SALARIES	0	136,704	237,932	374,636	0
FRINGE BENEFITS	2,169,444	2,530,267	175,553	2,705,820	25,828
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
IT-COMMUNICATIONS	0	0	0	0	0
<b>TOTAL</b>	<b>8,834,578</b>	<b>10,056,952</b>	<b>838,598</b>	<b>10,895,550</b>	<b>327,884</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	3,015,072	3,216,285	9,629	3,225,914	190,884
FEDERAL FUNDS	5,818,656	6,833,375	828,673	7,662,048	137,000
SPECIAL FUNDS	850	7,292	296	7,588	0
<b>TOTAL</b>	<b>8,834,578</b>	<b>10,056,952</b>	<b>838,598</b>	<b>10,895,550</b>	<b>327,884</b>
<b>OPERATING EXPENSES</b>					
SALARIES - PERMANENT	0	0	0	0	0
SALARIES - OTHER	0	0	0	0	0
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	609,206	1,063,039	0	1,063,039	25,000
SUPPLIES - IT SOFTWARE	30,239	1,045,000	-990,000	55,000	0
SUPPLY/MATERIAL-PROFESSIONAL	97,062	321,484	0	321,484	0
MISCELLANEOUS SUPPLIES	46,305	81,356	0	81,356	0
OFFICE SUPPLIES	77,624	98,357	0	98,357	25,000
POSTAGE	88,777	109,987	0	109,987	0
PRINTING	136,673	260,649	0	260,649	0
IT EQUIP UNDER \$5,000	115,733	160,000	0	160,000	0
OFFICE EQUIP & FURN SUPPLIES	19,160	99,331	0	99,331	0
INSURANCE	24,400	29,089	0	29,089	0
RENTALS/LEASES-EQUIP & OTHER	38,778	94,441	0	94,441	0
RENTALS/LEASES - BLDG/LAND	205,546	228,897	0	228,897	0
REPAIRS	13,952	34,848	0	34,848	0
IT - DATA PROCESSING	434,748	883,415	158,374	1,041,789	300,000
IT-COMMUNICATIONS	103,451	184,336	-40,000	144,336	0
IT CONTRACTUAL SERVICES AND RE	15,901	850,000	3,075,000	3,925,000	1,500,000
PROFESSIONAL DEVELOPMENT	221,335	582,975	0	582,975	0
OPERATING FEES AND SERVICES	1,805,214	2,133,088	980,000	3,113,088	34,140
FEES - PROFESSIONAL SERVICES	9,990,032	6,397,184	1,289,212	7,686,396	1,000,000

**REQUEST DETAIL****201 DEPT OF PUBLIC INSTRUCTION****Biennium: 2007-2009****Bill#: SB2013****Date: 12/14/2006****Time: 15:15:46**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
GRANTS, BENEFITS & CLAIMS	6,858	234,832	0	234,832	0
TRANSFERS OUT	16,559	0	0	0	0
<b>TOTAL</b>	<b>14,097,553</b>	<b>14,892,308</b>	<b>4,472,586</b>	<b>19,364,894</b>	<b>2,884,140</b>
<b>OPERATING EXPENSES</b>					
GENERAL FUND	2,164,431	2,191,300	-174,332	2,016,968	2,884,140
FEDERAL FUNDS	10,463,209	10,833,039	5,446,918	16,279,957	0
SPECIAL FUNDS	1,469,913	1,867,969	-800,000	1,067,969	0
<b>TOTAL</b>	<b>14,097,553</b>	<b>14,892,308</b>	<b>4,472,586</b>	<b>19,364,894</b>	<b>2,884,140</b>
<b>CAPITAL ASSETS</b>					
IT EQUIPMENT OVER \$5000	14,271	0	0	0	0
<b>TOTAL</b>	<b>14,271</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL ASSETS</b>					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	14,271	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>14,271</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRANTS-STATE SCHOOL AID</b>					
GRANTS, BENEFITS & CLAIMS	489,379,990	517,553,759	237,012,120	754,565,879	0
<b>TOTAL</b>	<b>489,379,990</b>	<b>517,553,759</b>	<b>237,012,120</b>	<b>754,565,879</b>	<b>0</b>
<b>GRANTS-STATE SCHOOL AID</b>					
GENERAL FUND	489,379,990	517,553,759	165,412,120	682,965,879	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	71,600,000	71,600,000	0
<b>TOTAL</b>	<b>489,379,990</b>	<b>517,553,759</b>	<b>237,012,120</b>	<b>754,565,879</b>	<b>0</b>
<b>GRANTS-TUITION APPORTIONMENT</b>					
GRANTS, BENEFITS & CLAIMS	69,272,576	71,600,000	-71,600,000	0	0
<b>TOTAL</b>	<b>69,272,576</b>	<b>71,600,000</b>	<b>-71,600,000</b>	<b>0</b>	<b>0</b>

**REQUEST DETAIL****201 DEPT OF PUBLIC INSTRUCTION****Biennium: 2007-2009****Bill#: SB2013****Date: 12/14/2006****Time: 15:15:46**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>GRANTS-TUITION APPORTIONMENT</b>					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	69,272,576	71,600,000	-71,600,000	0	0
<b>TOTAL</b>	<b>69,272,576</b>	<b>71,600,000</b>	<b>-71,600,000</b>	<b>0</b>	<b>0</b>
<b>GRANTS-SPECIAL EDUCATION</b>					
GRANTS, BENEFITS & CLAIMS	49,898,217	52,500,000	-52,500,000	0	0
<b>TOTAL</b>	<b>49,898,217</b>	<b>52,500,000</b>	<b>-52,500,000</b>	<b>0</b>	<b>0</b>
<b>GRANTS-SPECIAL EDUCATION</b>					
GENERAL FUND	49,898,217	52,500,000	-52,500,000	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>49,898,217</b>	<b>52,500,000</b>	<b>-52,500,000</b>	<b>0</b>	<b>0</b>
<b>GRANTS-REVENUE SUPPLEMENT</b>					
GRANTS, BENEFITS & CLAIMS	5,000,000	5,000,000	-5,000,000	0	0
<b>TOTAL</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>-5,000,000</b>	<b>0</b>	<b>0</b>
<b>GRANTS-REVENUE SUPPLEMENT</b>					
GENERAL FUND	5,000,000	5,000,000	-5,000,000	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>-5,000,000</b>	<b>0</b>	<b>0</b>
<b>GRANTS-OTHER GRANTS</b>					
TRAVEL	0	0	0	0	0
IT EQUIP UNDER \$5,000	2,473	0	0	0	0
OPERATING FEES AND SERVICES	115,096	0	0	0	0
FEES - PROFESSIONAL SERVICES	19,000	0	0	0	0
GRANTS, BENEFITS & CLAIMS	206,623,187	207,999,083	19,531,723	227,530,806	151,000
TRANSFERS OUT	856,117	0	0	0	0
<b>TOTAL</b>	<b>207,615,873</b>	<b>207,999,083</b>	<b>19,531,723</b>	<b>227,530,806</b>	<b>151,000</b>

**REQUEST DETAIL**

**201 DEPT OF PUBLIC INSTRUCTION**  
**Biennium: 2007-2009**

**Bill#: SB2013**

**Date: 12/14/2006**

**Time: 15:15:46**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>GRANTS-OTHER GRANTS</b>					
GENERAL FUND	2,926,315	3,241,117	0	3,241,117	151,000
FEDERAL FUNDS	204,535,154	204,517,966	19,531,723	224,049,689	0
SPECIAL FUNDS	154,404	240,000	0	240,000	0
<b>TOTAL</b>	<b>207,615,873</b>	<b>207,999,083</b>	<b>19,531,723</b>	<b>227,530,806</b>	<b>151,000</b>
<b>GRANTS-TEACHER COMPENSATION</b>					
GRANTS, BENEFITS & CLAIMS	51,854,000	50,912,120	-50,912,120	0	0
<b>TOTAL</b>	<b>51,854,000</b>	<b>50,912,120</b>	<b>-50,912,120</b>	<b>0</b>	<b>0</b>
<b>GRANTS-TEACHER COMPENSATION</b>					
GENERAL FUND	51,854,000	50,912,120	-50,912,120	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>51,854,000</b>	<b>50,912,120</b>	<b>-50,912,120</b>	<b>0</b>	<b>0</b>
<b>SPECIAL LINES</b>					
REORGANIZATION BONUSES	500,000	759,000	-759,000	0	0
JPA INCENTIVES	0	1,000,000	1,000,000	2,000,000	0
TRANSPORTATION EFFICIENCY	40,000	30,000	0	30,000	0
NATIONAL BOARD CERTIFICATION	40,000	40,000	0	40,000	0
<b>TOTAL</b>	<b>580,000</b>	<b>1,829,000</b>	<b>241,000</b>	<b>2,070,000</b>	<b>0</b>
<b>SPECIAL LINES</b>					
GENERAL FUND	580,000	1,829,000	241,000	2,070,000	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
<b>TOTAL</b>	<b>580,000</b>	<b>1,829,000</b>	<b>241,000</b>	<b>2,070,000</b>	<b>0</b>
<b>FUNDING SOURCES</b>					
GENERAL FUND	604,818,025	636,443,581	57,076,297	693,519,878	3,226,024
FEDERAL FUNDS	220,831,290	222,184,380	25,807,314	247,991,694	137,000
SPECIAL FUNDS	70,897,743	73,715,261	-799,704	72,915,557	0
<b>TOTAL FUNDING SOURCES</b>	<b>896,547,058</b>	<b>932,343,222</b>	<b>82,083,907</b>	<b>1,014,427,129</b>	<b>3,363,024</b>



**CHANGE PACKAGE SUMMARY****201 DEPT OF PUBLIC INSTRUCTION****Biennium: 2007-2009****Bill#: SB2013****Date: 12/14/2006****Time: 15:15:46**

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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**AGENCY BUDGET CHANGES**

Cost To Continue	4.50	9,629	828,673	296	838,598
3 Special Education IDEA Part B	.00	0	19,531,723	0	19,531,723
16 Professional Services Ed Improvement	.00	0	1,289,212	0	1,289,212
17 Storage and Handling Fees CNFD	.00	0	980,000	0	980,000
18 IT Contractual Services	.00	0	3,075,000	0	3,075,000
19 JPA Incentive Funding	.00	1,000,000	0	0	1,000,000
20 Change to State Aid to Education	.00	57,000,000	0	0	57,000,000
21 Changes to Operating Expenses	.00	-174,332	102,706	-800,000	-871,626
22 Consolidation Bonuses	.00	-759,000	0	0	-759,000
<b>Agency Total</b>	<b>4.50</b>	<b>57,076,297</b>	<b>25,807,314</b>	<b>-799,704</b>	<b>82,083,907</b>

**OPTIONAL REQUEST**

4 Salary Equity Increases	.00	64,300	137,000	0	201,300
5 Increase in General Fund Operating	.00	350,000	0	0	350,000
6 New FTE for School Finance Unit	1.00	120,724	0	0	120,724
7 Computer Application Foundation Aid Re Write	.00	500,000	0	0	500,000
9 State Assessment Program	.00	1,000,000	0	0	1,000,000
10 Application Replacement DPI and ESPB	.00	1,000,000	0	0	1,000,000
11 Limited English Proficient Student Program	.00	40,000	0	0	40,000
12 North Dakota Governor's School	.00	90,000	0	0	90,000
13 North Dakota Teacher Center Network	.00	46,000	0	0	46,000
14 North Dakota LEAD Center	.00	5,000	0	0	5,000
15 Northern Plains Writing Project	.00	10,000	0	0	10,000
<b>Optional Total</b>	<b>1.00</b>	<b>3,226,024</b>	<b>137,000</b>	<b>0</b>	<b>3,363,024</b>

Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Grant Adjustments for Federal and Special Funds -

Federal Grant Budget Changes:

- Funding for the English Language Acquisition grant is expected to increase for the 2007-09 biennium.
- Funding for the Enhancing Education Through Technology grant is expected to decrease for the 2007-09 biennium.
- The Math Incentives Program Grant is a new grant that the Department applied for funds in the 2007-09 biennium from the USDOE.
- Funding for the Reading First grant is expected to decrease for the 2007-09 biennium.
- Funding for the Refugee Children School Impact grant is expected to decrease for the 2007-09 biennium.
- Funding for the Special Education Preschool grant is expected to increase for the 2007-09 biennium.
- The State Improvement Grant was discontinued and all funding will be spent in the current biennium.
- The State Personnel Development Grant is a new grant that the Department applied for funds in the 2007-09 biennium from the USDOE.
- Funding for the Title I Basic Grants is expected to increase for the 2007-09 biennium.
- Funding for the Title I Education for Homeless Children grant is expected to increase for the 2007-09 biennium.
- Funding for the Title I Migrant Education grant is expected to increase for the 2007-09 biennium.
- Funding for the Title I Neglected and Delinquent Children and Youth grant is expected to decrease for the 2007-09 biennium.
- Funding for the Title I, Part F grant has been discontinued and all funding will be spent in the current biennium.
- Funding for the Title II Teacher and Principal Training and Recruitment grant is expected to increase for the 2007-09 biennium.
- Funding for the Title V Innovative Programs grant is expected to decrease for the 2007-09 biennium.
- Funding for the Title VI Part B Rural and Low Income Schools grant is expected to decrease for the 2007-09 biennium.
- Funding for the 21st Century Community Learning Centers grant is expected to increase for the 2007-09 biennium.
- The Character Education Program Grant is a new grant that the Department applied for funds in the 2007-09 biennium from the USDOE.
- Funding for the Child and Adult Care Food Program grant is expected to increase for the 2007-09 biennium.
- Funding for the Child Nutrition School Breakfast grant has expired.
- Funding for the Commodity Supplemental Food Program grant is expected to increase for the 2007-09 biennium.
- The EDEN and NCLB State Data Collection Grant is a new grant that the Department applied for funds in the 2007-09 biennium from the USDOE.
- Funding for the Even Start Program grant is expected to decrease for the 2007-09 biennium.
- Funding for the Food Distribution Program on Indian Reservations grant is expected to increase for the 2007-09 biennium.
- Funding for the Learn and Serve Program grant is expected to increase for the 2007-09 biennium.
- Funding for the Safe and Drug Free Schools and Community Service Program grant is expected to decrease for the 2007-09 biennium.
- Funding for the School Food and Nutrition Programs grant is expected to increase for the 2007-09 biennium.
- Funding for the Emergency Food Assistance Program grant is expected to increase for the 2007-09 biennium.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b> 3
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Special Education IDEA Part B - Last biennium, we inadvertently budgeted for only 1 year. This budget request reflects the entire biennium budget for this program.

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Last Biennium we inadvertently budgeted for 1 year. This budget requests includes the full 2 year's request.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 16	<b>Priority:</b> 4
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Professional Services Ed Improvement -

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During the 2005-07 Budget Preparation, all of the carryover that was available was not included in the budget; therefore there is an increase in the Professional Services Line for Education Improvement to account for spending that carryover. These are all federal funds.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 17	<b>Priority:</b> 4
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Storage and Handling Fees CNFD -

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The Storage and Handling Fees for the USDA Commodities has increased due to the rise in fuel costs.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 18	<b>Priority:</b> 5
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IT Contractual Services - See IT Capture for detailed descriptions.

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See IT Capture

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 19	<b>Priority:</b> 6
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JPA Incentive Funding - This funding was has been increased for the 2007-2009 Biennium in the Education Commission Report.

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This funding was increased for the 2007-2009 Biennium per the Education Commission Report.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 20	<b>Priority:</b> 2
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Change to State Aid to Education - Changes to the State Aid to Education Funding

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Changes to the State Aid to Education Formula.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 21	<b>Priority:</b> 7
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Changes to Operating Expenses -

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DPI has made adjustment to the following lines in the Operating Expenses Section:

We have reduced the Supplies - IT Software line item.

We have reduced the IT Communications line.

We have also had to change some funding sources as the general fund budget is short.

The \$ 800,000 in Special Funds budgeted for 2005-07 for Education Improvement have been zeroed out. This appropriation was to be used for a surcharge for TetraData.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 22	<b>Priority:</b> 7
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Consolidation Bonuses - This funding was only for the 2005-07 Biennium. Zeroed out in the 2007-09 Budget Request.

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This funding was for the 2005-07 Biennium only. Zeroed out for the 2007-09 Budget Request.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 100	<b>Priority:</b>
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OMB - Tuition fund increase -

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This adjustment increases tuition fund distributions by \$4.6 million, to correspond to the distribution amount estimated by the Land Department.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 105	<b>Priority:</b>
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OMB - Restore general fund operating expenses -

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This adjustment funds the agency's optional request to increase general fund authority for operating expenses by \$350,000. During past budget cycles, the agency has reduced general fund operating to comply with reduced general fund budget limits. In addition, legislative reductions or earmarking of general fund authority for certain initiatives has further reduced the general fund authority available for regular agency operating expenses.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 110	<b>Priority:</b>
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OMB - Add school finance FTE -

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This adjustment adds 1 FTE position to assist the school finance division. This division has been understaffed, with only one person available to run education finance scenarios and provide information to legislators, the executive branch, and interested constituents, along with fulfilling the multitude of other responsibilities assigned to the division relating to the allocation and distribution of various state school aid grant programs.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 115	<b>Priority:</b>
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OMB - Rewrite school aid program -

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This adjustment provides \$400,000 to provide for the rewrite of the school aid software. This rewrite is necessitated by the proposed redesign of the school aid system, as proposed by the Governor's Commission on Education Improvement, and included in the agency's budget request.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 120	<b>Priority:</b>
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OMB - Add at-risk kindergarten -

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This adjustment provides \$3 million to fund full-day kindergarten for at-risk students, as included as an optional funding priority in the recommendation of the Commission on Education Improvement.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 125	<b>Priority:</b>
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OMB - School aid enhancement -

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This adjustment provides \$9 million to increase the formula payments included in the proposed new state school aid distribution formula. The additional \$9 million will increase payments distributed in the second year of the biennium and will result in fewer schools receiving the minimum "hold-harmless" increase of 2%.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 130	<b>Priority:</b>
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OMB - Student assessments -

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This adjustment provides \$450,000 to address anticipated increases in the state's student assessment program, as mandated by the NCLB Act. Testing has been added in grades 3, 5, 6, and 7. In addition, assessments have been added in the subject area of science. The state's current contract with CTB/McGraw-Hill expires in 2008 and development costs may increase with a new contract.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 135	<b>Priority:</b>
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OMB - DPI/ESPB rewrite -

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The current mainframe application used by the DPI and ESPB to maintain teacher licensure data and determine compliance with NCLB highly qualified teacher provisions is in need of replacement with a relational data-base system. This adjustment provides \$500,000 to fund the DPI portion of this project.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 140	<b>Priority:</b>
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OMB - Special education increase -

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This adjustment adds an additional \$4 million for special education, \$3 million for ADM payments and \$1 million for contract payments. This is in addition to the \$4 million increase included in the agency's base budget request. The total recommended increase for special education is \$8 million.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 4</b>	<b>Priority: 1</b>
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Salary Equity Increases -

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Hiring individuals for our education classifications continue to be our most difficult area of recruitment, especially positions that require a master's in education and 3-5 years of administrative experience. Because we are an education agency, we must compete with the same pool of candidates as do school districts. Not only are we not competitive with the regional market for educators, we are substantially behind in the area market and our salaries fall below the average state compensation ratio.

Another hard-to-fill area within state government is in the IT field. Because DPI is non-competitive in salary, we lost 3 IT positions, including our director, our research analyst and web developer.

Overall, in reviewing DPI's compensation ratio to other employees in state government with comparable years of experience, our salaries continue to fall, on average, 4 percent below other state employees in similar grades and positions.

Additionally, state salary ranges fall below the area market, yet state requirements for all levels of employment, require skills and abilities above those of the private sector.

Retention is of major concern – as is succession planning. From July 1 of 2005, through July 24, 2006, 19 positions were vacated. One staff member left due to a retirement, one received a buy out, 11 found other positions, and six individuals left their positions for internal promotions. We have experienced a continuous round of recruitment and training, both of which can be costly in areas of time and money and at the expense of efficiency.

Currently, major contributors to DPI management are eligible, or close to being eligible, to retire. These individuals contain the long term memory and history of North Dakota education. They are the individuals that legislators, schools and other educational constituents rely on for their knowledge and training. We need to provide valuable, long term employees, with incentives to remain and assist us in succession planning.

These are but a few reasons that we are requesting \$64,300 in general fund monies and an additional increase of \$137,000 (total of \$201,300) to our salary appropriation line to address inequities, among both state employees and area markets. Federal dollars are available to fund equity adjustments for federal supported employees.

The Department is hereby requesting \$ 64,300.00 in General Fund money for the Salary Equity Increases.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 5</b>	<b>Priority: 2</b>
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Increase in General Fund Operating -

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The 2005 Legislative Assembly reduced the department's operating budget by \$275,000. This decrease in general funds severely limited the department's ability to pay its 2005-07 biennium monthly IT data processing charges which included Connect ND charges of \$7,000 per month or \$168,000 for the biennium. This reduction, along with an increase in the 2007-09 biennium IT charges, including a \$1,500 per month or \$36,000 for the biennium Connect ND charge necessitates an increase to the operating budget for IT Data Processing of \$300,000.

In addition, other operating costs such as general supplies, paper and equipment have increased. We are requesting an additional \$25,000 to account for these increased costs. There is also additional travel required of the Department's staff for the P16 Commission and the Commission on Education Improvement. The other area showing an increase is the non-employee travel line to reimburse county committee members for attending committee meetings. The significant increase is in the area of meetings for school district annexations, dissolutions, and reorganizations. These additional expenditures are expected to continue and in some areas increase into the new biennium so we are requesting an additional \$25,000.

The Department hereby requests \$350,000.00 in General Fund Money for the Operating Line.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 6</b>	<b>Priority: 3</b>
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New FTE for School Finance Unit -

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The Finance & Organization unit is critically understaffed in the area of Foundation Aid Payments calculation and monitoring. Jerry Coleman (Assistant Director of the School Finance & Organization Unit), who currently has that responsibility, is the only person who holds the knowledge to reliably structure programming etc. to send approximately \$700,000,000 out to school districts and other entities each biennium. The recent discussions about Bird Flu Pandemic Planning drives home the point of how much of a problem we would have if the Assistant Director were suddenly out of the loop.

In addition, the Assistant Director has been spending increasing amounts of time on evenings and weekends just to get the basic work done. His job expectations are beyond 1 FTE. The additional work that the unit is doing related to JPA development, increasing numbers of the state responsible students and management of student ID's has made his job unmanageable. The additional FTE would provide backup for the Assistant Director's work plus allow the unit to handle the growing work load in a more satisfactory way. Additional data collection and management related to state responsible students and tuition reimbursements, school transportation, and JPA support, could and should be undertaken.

Also, there is a very real possibility that we will have a whole new foundation aid formula to implement after the 2007 session. The business of developing a new program to run it, get it debugged and answer endless questions from the field will require more help in the unit.

Finally, we need to plan for retirements and turnovers in the unit. We need to recruit and train personnel so the continuity of service can be maintained.

The Department hereby requests \$ 97,324.00 in Salary and \$ 23,400 in Operating for a total request of \$120,724.00 in General Fund money for a new FTE.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 7</b>	<b>Priority: 4</b>
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Computer Application Foundation Aid Re Write -

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The Governor's Commission on Education Improvement is currently studying the state aid program for K-12 education and we anticipate a complete rewrite of the current funding formula. Because the age and complexity of the current system (last updated in 1996 created in the early 1980s) it will be more effective to replace the system.

The new system will modernize the current payment system allowing for better integration with the ORS data system, more efficient maintenance, flexible reporting and easier payment management. The system will calculate entitlements and manage the monthly payments to school districts



Failure to implement the project would be a major interruption in cash flow used to run school district operations.

The Department hereby requests \$ 500,000 in General Fund money to re-write the Foundation Aid Payment System.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 9</b>	<b>Priority: 5</b>
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State Assessment Program -

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We request an increase in our general fund budget for the 2007-09 biennium in the amount of \$500,000 per year for maintenance of effort of our State Assessment Program (e.g. an increase in grades tested) and to advance writing (e.g. writing assessment development).

During the 2005-07 biennium, the state allocated \$1.2 million dollars for the implementation of state assessments. If approved, this optional budget request would raise the 2005-07 allocation from \$1.2 million dollars to \$2.2 million dollars for the 2007-09 biennium.

The Department hereby requests \$ 1,000,000.00 in General Funds in for State Assessments.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 10</b>	<b>Priority: 6</b>
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Application Replacement DPI and ESPB -

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ESPB has been working to replace their mainframe system using Federal funding sources for which automation may soon expire. To be able to share data, DPI must replace the current system that is being shared with ESPB.

Replacing DPI's mainframe application would allow DPI & ESPB to have individual relational database systems that still integrate appropriately for required data sharing of system information without duplicating information collected from schools.

This proposed project assures compliance with state school approval statutes and provides appropriate information for other required state and federal reporting requirements without duplicate collection from schools. The Department is required to report information to various state and federal entities, as well as to policymakers and schools. Without this project, more personnel will be required to obtain and verify information needed from ESPB.

The Department hereby requests \$ 1,000,000.00 in General Fund money for School Approval & Accreditation to re-write the shared computer system.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 11</b>	<b>Priority: 7</b>
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Limited English Proficient Student Program -

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#### Title III, Part A - English Language Acquisition

The legislature appropriated \$650,000 to be distributed equally each year of the biennium for school districts in North Dakota with students who are limited in English language proficiency because of non-English language backgrounds.

The state superintendent establishes general state policy and responsibilities of school districts, appoints a state advisory board, establishes standards, ensures service, and assists school districts with the development of programs for English language learners. Because no administrative funds are appropriated, department staff charge their time to the Title III, Part A – English Language Acquisition program.

The question of whether Title III federal funds could be used to pay for work that was focused on state funded bilingual/English Language Acquisition program was raised during a U.S. Department of Education monitoring visit.

The monitoring report references OMB Circular A-87 which states personnel costs charged to a federal grant must be reasonable, necessary, and allocable. Thus, if an employee of a state only works part time on a grant, for example 50%, then no more than 50% of his/her salary can be charged to that grant. Only employees that work full time on Title III activities can have their full salary charged to the Title III program.

The monitoring report recommends the state carefully document all personnel time allocations to insure that time charges for Title III are directly related to Title III work only. Thus, the department request \$40,000 to be used to support the state English Language Learner Program administrative functions. Additional Salary of \$29,260.00 and Operating costs of \$ 10,740.00.

The Department hereby requests \$ 29,260.00 for Salary and \$ 10,740.00 for Operating for a total of \$ 40,000.00 in General Fund Money for Administration of Limited English Proficient Students Program.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 12</b>	<b>Priority: 8</b>
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North Dakota Governor's School -

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#### *Governor's School for the Arts*

The aim is to continue the Governor's School for the Arts in succeeding years and have it be supported by the state Legislature. As in the other Governor's Schools, 20 students are to be admitted to the Governor's School for the Arts based on recommendations of instructors, personal essays and recommendations of a review committee. The school will run for six weeks, concurrent with the science, mathematics and business school sessions. The first five weeks will consist of classes, rehearsals and work sessions. During the final week, the students will tour a theatrical production throughout the state.

Three faculty members will serve both as instructors and as part of the creative team on the final production. During the fifth week of the Governor’s School, performing arts students will work intensively on their production on the NDSU campus. Touring of sites in rural North Dakota will begin the weekend between the fifth and sixth weeks of the school, and culminate in performances for the other Governor's School participants and family members at NDSU.

Every other year the school will change its focus to visual arts alone. Students will immerse themselves in different medium such as printmaking, drawing, sculpting, and visual graphics. The outcome of these concentrations will be to do public displays at gallery locations and perhaps at local shopping malls.

We also will do a mini experience of bringing students on campus for a period of 2-5 days to open the opportunity of them attending the following year.

Our increase over the last request is \$55,000 for the biennium, to cover increases in travel and supplies for the School for the Arts.

*Governor’s School in Business, Mathematics and Science*

Every effort is being made to enhance the quality of the Governor’s Schools. We need to compensate the science mentors for the first time. We will compensate them by an amount of 20 X 250 = \$5000 per year

Also our outreach to area schools needs to increase. Recruiting of new students and the continued educational support of the students in the year after attending Governor’s School. The students should continue to interact with each other in the academic program that they experienced; we will create an intern position to work with pre and post students.

Cost of Stipend and Tuition for intern - \$10,000 per year  
Increase in Transportation, personnel, materials, etc. - \$2500.00 per year  
Additional amount requested \$35,000 for the biennium for Business, Mathematics and Science.

North Dakota Governor's School Program hereby requests \$ 90,000.00 in General Fund Money.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 13</b>	<b>Priority: 9</b>
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North Dakota Teacher Center Network -

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The Teacher Center Network (TCN) is requesting a 20% increase in funding (\$46,000). As districts consolidate and cooperate with JPA's, the Teacher Center’s play a critical role in providing coordinated services by way of supplementary classroom material and curriculum distribution. Another critical area includes the provision of professional development opportunities to meet individual district and JPA priorities to provide increased opportunities for teachers to maintain their highly qualified status. Lastly, increased funds would benefit technology needs as the existing Centers would benefit from upgraded computers and library related equipment which can better serve educators (i.e., change VHS materials to CD's and DVD's). For some teacher centers, funds would be used to extend the hours of the centers, and allow Directors to visit member schools regarding curricular, program, activity and professional development needs.

The North Dakota Teacher Center Network hereby requests \$ 46,000.00 in General Fund Money.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 14</b>	<b>Priority: 10</b>
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North Dakota LEAD Center -

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The North Dakota LEAD Center has experienced increased costs and thereby requests \$ 5,000.00 in General Fund Money.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 15</b>	<b>Priority: 11</b>
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Northern Plains Writing Project -

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The Northern Plains Writing Project (NPWP) is requesting a \$10,000.00 biennial budget increase in General Fund money. The present projects are helping serve the needs of North Dakota educators and students, but more funding would allow us to increase and strengthen our current statewide efforts, appropriately fund recent initiatives, and afford us the means to research and develop new ones that well ought to be brought to life for our educators, for our students, and for the good of the state overall.

Since its new beginning in 2003-2004, the NPWR has served scores of teachers and hundreds of students across ND. Over the course of the last three years, NPWP Planning Team Members have offered In-Service workshops to scores, even hundreds of state educators. Likewise, NPWP Planning Team Members have envisioned, planned and enacted several learning activities specifically dedicated to helping students improve their writing and critical thinking skills. There are also new initiatives underway that will benefit from increased funding. We have also established contact with teachers and administrators in New Town in hopes of developing a branch site. If this branch site gets underway, we are eligible for additional federal funds but these must be matched 1:1 with state and university funding.

The NPWP hereby requests \$ 10,000.00 in General Fund Money.